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PROCEEDINGS
OF THE
ANNUAL MEETING
OF THE
WESTERN RAIL-ROAD CORPORATION.
MARCH 12, 1910.



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PROCEEDINGS
OF THE
ANNUAL MEETING
OF THE
WESTERN RAIL-ROAD CORPORATION,

HELD, BY ADJOURNMENT, IN THE CITY OF BOSTON,

MARCH 12, 1840,

INCLUDING

THE REPORT

OF THE

COMMITTEE OF INVESTIGATION

APPOINTED BY THE STOCKHOLDERS.



BOSTON:

DUTTON AND WENTWORTH'S PRINT.

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WESTERN RAIL-ROAD CORPORATION.

At the annual meeting of the Western Rail-Road Corporation, held by adjournment in the city of Boston, March 12, 1840.

The committee of the stockholders, appointed at the preceding meeting, to examine the treasurer's accounts, to investigate the affairs of the corporation, to make any suggestions which they might deem useful, and to select candidates for directors on the part of the private stockholders, for the ensuing year, submitted the following

R E P O R T .

At the annual meeting of the stockholders of the Western Rail-road Corporation, held in the city of Boston, February 12th, 1840, a committee was appointed, consisting of Messrs. Wm. H. Gardner, Wm. Lawrence, Francis Jackson, Charles Stearns, of Springfield, Francis How, of Brookfield, Stephen Fairbanks, Isaac C. Pray, John P. Thorndike, Daniel Hammond, Jonathan Chapman, Nathan Carruth, Mark Healy and E. H. Derby, "to exam-

ine the treasurer's accounts ; to investigate the affairs of the corporation ; to make any suggestions they may deem useful : to select candidates for directors on the part of the stockholders the ensuing year, and to report at an adjourned meeting on Thursday, the 12th of March."

A quorum of the Committee having been convened, and organized by the choice of Stephen Fairbanks as Chairman, and E. H. Derby, as Secretary, and it appearing, that Messrs. Wm. H. Gardner, Jonathan Chapman, Francis Jackson and Francis How, declined serving, the vacancies were filled by the choice of Messrs. E. H. Robbins, Thos. C. Smith, A. T. Lowe, and Freeman Walker, of Brookfield. Thus organized, the Committee proceeded to the execution of the important trust confided to them, and ask leave to report.

That, by a sub-committee, consisting of Messrs. Daniel Hammond, Mark Healy and Nathan Carruth, the Treasurer's accounts were examined with great minuteness and care, and a detailed report made, which is herewith submitted. The books and accounts of this officer, are exceedingly voluminous, and are kept in a style that is worthy of high commendation. They may well be retained as a text-book for his successors, or for any corporation which may hereafter be formed, for the promotion of any great internal improvement.

This report was unanimously accepted.

A sub-committee was also appointed, consisting of Messrs. A. T. Lowe, Thos. C. Smith, and Freeman Walker, to examine the records of the directors, kept by Ellis Gray Loring, Esq. the clerk of the corporation ; their report is in the following words.

"Your Committee have carefully examined both volumes of the records, but more particularly the one which contains the acts of the directors, by the marginal titles which express, in a word, the general character of the record on the body of the page; and have carefully read in detail, those portions of the records, which, from their titles, were supposed to contain matters of the greatest interest and importance. These records are kept in a remarkably neat, and, so far as the Committee can judge, in a very accurate manner. The amount of salaries voted to the President of the corporation, to the agent and sub-agents, to the treasurer and engineers, are, as nearly as they recollect, in exact agreement with the statement made to the stockholders' committee, at one of their meetings, by the agent. The meetings of the directors have been frequent, and very fully attended; and the records show, to the full satisfaction of this committee, that their efforts to promote the interests of the stockholders, have been untiring and discreet. The many interesting reports of the sub-committees, from the Board of Directors, which we found in these records, having relation to the various expenditures, incurred in grading the road, in the purchase of iron, of timber, and in an especial manner, in the establishment of depots' throughout the line, convince us that they have taken no important step hastily, but, on the other hand, that they have, to the best of their ability, exercised a prudent deliberation to enter into such arrangements only, as would best secure the greatest good of this great enterprise."

In the further prosecution of the duties of your Committee, it was deemed important to enter into the most

rigid investigation of the services performed by, and the salaries paid to, the president, treasurer, general agent, clerk, and sub-agents of the corporation. Also of the various foreign and local contracts which such a gigantic work rendered it indispensable to be made. Your Committee have given their deliberate consideration to the proposition which has been made in the Legislature, that the number of directors should be so arranged, that a majority of them may be chosen on the part of the Commonwealth, also to the facts and arguments which have been adduced by the stockholders, in testimony of the pecuniary benefits, which, it is believed, would result to the corporation by a reduction of the charges for the transportation of passengers and goods over the road; and to such other considerations as have suggested themselves to the minds of the Committee. It seems to the Committee, that in order rightly to appreciate the importance of the services of the officers, the magnitude of the undertaking which they have been deputed to take under their supervision, must be clearly and distinctly known; each member of your Committee probably, in common with the stockholders, have some general information respecting this great work of internal improvement, but they are free to say, that the investigation they have made has satisfied them, that no person is capable, without such examination, of estimating the labor the directors are called upon to perform.

An enterprise which will require the disbursement of more than four millions of dollars, and the success or failure of which must greatly affect the interest of every individual in the Commonwealth, either directly or remote-

ly, is one which should not be placed in the hands of men who have not given the most unequivocal proofs of their ability, integrity and industry. Thus far the corporation has been singularly fortunate in selecting gentlemen for their principal officers whose whole lives, as well as their successful labor in the work entrusted to them, furnish ample evidence that its confidence has not been misplaced.

It seems to your Committee, that it cannot be necessary to speak more particularly of the directors generally, but only of the president, treasurer, and general agent, who it has been averred have received too high salaries, which salaries, it should be distinctly understood, have been established by the board, consisting of nine members.

The president has had a salary of \$1000 per year, and a grant of \$1000 the last year, for extra duties required of him.

The treasurer's salary the first year was \$2000, for the second and third years \$1500 each, he paying all his expenses; the fourth year, in consequence of the great increase of labor arising from the negotiation of foreign exchange, and the management of the sinking fund, he has received a salary of \$1200; pay for clerk hire, \$1100; office rent, \$250; and as commissioner of sinking fund, \$250; making a total of \$2800.

The general agent has had a salary of \$3000 per annum, he paying his own expenses, and the last year a grant has been made of \$1000, to reimburse his expenses.

The president has for the last 20 or 30 years been one of our most enterprising and successful merchants, distin-

guished for his integrity and punctuality, as well in Europe as in this country. So too with the treasurer, and general agent; each in his profession, stands unsurpassed in those distinguishing traits which elevate the character of a nation. A recent writer on commercial integrity has said, "a merchant should never forget that he holds the character of his country as well as his own in sacred trust." This remark will apply with equal force to other professions.

Can the benefits be estimated, which have and will result to this corporation, from the services of those whose experience in disbursing money and financiering generally is so well known? Is it not true, that the contracts for the materials used in the construction of the road, and labor performed, as well as the amount paid for land damages, have been as low, if not lower, than upon any other similar work in the United States? Your Committee believe this is the fact.

The scrip of the State, which was issued in aid of this work, has been readily taken by foreign capitalists at a premium, during a time of uncommon depression in monetary affairs, while that of many of our sister states has been sold at a discount of from five to fifteen per cent., this increased value is to be attributed, it seems to your Committee, as well to the reputation for judgment, ability, and punctuality of the gentlemen who have given the guarantee of their names to the management of this corporation, as to the credit of our Commonwealth.* It is not to be denied that many of the stockholders of this corporation became interested in the stock, not with any

* See note A.

sanguine expectations of realizing a large income from the investment, but from the conviction that it would greatly promote the general interest of this part of the country, and thereby become a private as well as a public benefit. It is fortunate that we have now amongst us those whose public spirit at all times keeps pace with their means, but the fact that this enterprise is mainly or partially a public one ; and that it deserves the aid and countenance of every friend to American industry, is no reason why its principal officers should be required to labor in season and out of season, without compensation ; or for a remuneration that would be entirely inadequate to the services and responsibility to which they are subjected. Will any man who is possessed of all the facts, say, that the multifarious duties of the president of this company, are not worth more than he has ever received ?—duties, which the Committee take leave to say cannot be performed by any merchant without greatly neglecting his private business. The duties of the treasurer, who is also a director, are very responsible and laborious. In addition to keeping the books, and all the accounts of the corporation, which occupies a very large part of the time, from early morning until late at night, of one of the most able accountants in the city ; this officer is obliged to negotiate all the exchange, by which the foreign loans are made available here. He furnishes a commodious office for the use of the board of directors, and is also a commissioner of the sinking fund. In addition to which, he has put himself under good and sufficient bonds for the faithful keeping of funds of the corporation. For all these services, (which it is believed

have been performed to the entire acceptance of every member of this corporation,) this gentleman has received \$2800 per annum. With respect to the general agent, Mr. Bliss, also a director, the great amount of personal labor performed by him no one can correctly estimate without accurate investigation. We mean such services as would be performed by a general agent, who is not of the legal profession; in this case the professional knowledge of this gentleman has been of vast importance in a pecuniary point of view. It appeared in evidence before your Committee that there had been about seven hundred legal instruments drawn up, and executed by him personally or under his inspection, to prepare which, in absence of this knowledge, an attorney must have been employed at considerable expense. Besides, the reputation of the agent as a sound and upright lawyer, among the persons with whom contracts for land and materials for the construction of the road have been made, has had the effect in a remarkable degree to avoid expensive and unpleasant litigation, which has on every route been found one of the most serious evils. It should also be borne in mind that this gentleman has been compelled to relinquish entirely the business of his profession, which was very lucrative, and into which he will not find it easy to reinstate himself when he leaves his present situation. If the stockholders entertain the opinion, that the compensation of this officer, or of either of the officers before alluded to, is too high, the Committee have entirely mistaken the spirit of the gentlemen who compose this corporation.

Your Committee are unanimously of opinion, that the

system early adopted by the directors, for the construction of the road, was a judicious one, and well adapted to secure the usefulness and durability of the work, united to great economy in its construction.

We congratulate the stockholders in having obtained, to aid in the administration of this system, engineers of singular intelligence, fidelity and industry, in every grade of that department. From inquiry they are satisfied, that the chief and resident engineers have discharged faithfully, all the duties which have devolved upon them; and although for short periods, there has occasionally been a deficiency in the number of assistant engineers, in proportion to the work in hand, they find no instance where there has been a greater number employed than was required to ensure a proper fidelity and despatch in the construction of this great work. In regard to the salaries paid to the officers of the different branches of this department, your Committee are satisfied, from statistics which they have examined, of the compensation given by the directors of other roads, that the directors of this corporation have been governed by the same good judgment, which have marked all their official acts, and with a single eye to ultimate results:—and it is worthy of remark in this connection, that it appeared in evidence, that, during the extreme pressure in the money market, which has been experienced since the commencement of the road, every engagement has been promptly met, in accordance with the contracts of the directors and agents. The pecuniary benefits that have been derived by the stockholders, in consequence of such punctuality, which has commanded the services of sub-agents, and the pur-

chase of the materials for the road, at the very lowest prices, will readily occur to every reflecting mind.

Allusion having been made by the sub-committee, who examined the records of the directors, to the clerk of the corporation, it is proper to remark here, that his salary has been fixed at \$500 per annum, for his services as clerk and solicitor. The duties of this officer, which have been explained in detail to your Committee, are of a nature which occupy much time and labor, and put in requisition many legal acquirements. The acceptable manner in which they have been performed, entitle him to high commendation.

In relation to the Commonwealth having a majority in the Board of Directors, your Committee would remark, that it is a subject that demands the serious attention of the stockholders. The order which was submitted in the Senate, on the subject, and which is now under consideration by the legislative committee, is unconditional in its terms, and assumes, that the Legislature have the right to regulate this matter, without the assent of the stockholders. If this be so, it affects their interest most essentially, and may reduce the value of the entire property, very materially. And if it is not so, the claim is of so important a nature, that the error should be at once exposed : and the relative rights of the stockholders and the Commonwealth be so defined and understood, as to put the question at rest. The Western Rail-road Corporation was established by an act passed March 15th, 1833, with a capital of two million of dollars ; the 2d Sect. of this act, provided for a government of not less than seven directors ; and the 3d Sect. that the tolls may

be reduced at the end of ten years, if the nett income amount to more than ten per cent. ; and the 14th Sect. that the Commonwealth may, after twenty years, purchase the road, by paying the amount expended, and ten per cent. interest. Under this act, the corporation was originally organized. By the act of April 4, 1836, the capital stock was increased to three millions of dollars, and a subscription of one million of dollars to the stock, was authorized on the part of the State. The 3d Sect. provided, that the number of directors should be increased to nine ; three of whom should be chosen by the Legislature, and the residue by the stockholders. This act was accepted by the stockholders in April of the same year.

The act of February 21, 1838, authorized the issuing the scrip of the Commonwealth, in aid of this important enterprise to the amount of two million one hundred thousand dollars. The 5th Sect. enacted, that "*no part of said scrip shall be delivered to the treasurer of said corporation, until said corporation, at an annual meeting, or at a special meeting, duly notified for that purpose, shall have assented to the provisions of this act,*" and it also provides, for a bond and mortgage for two million one hundred thousand dollars of the entire road, with its income, and all the franchise and property of the corporation, to secure the performance of all the conditions of said bond : with the proviso, that "*the Commonwealth shall not take possession of said pledged or mortgaged property, unless for a substantial breach of some condition of said bond.*" The act of March 23d, 1839, authorized a further loan of the credit of the Commonwealth, for twelve hundred thousand dollars. Sect. 4 enacted, that it should not take effect until

the corporation should assent to it, and that there should be another bond and mortgage of the road ; and the stipulation of the preceding act was renewed, that the Commonwealth should not take possession under the mortgages, unless for a substantial breach of the conditions of the bond. Sect. 5 provided, that the Commonwealth might at any time purchase the franchise and property of the corporation, by paying the amount of the outlay, and seven per cent. interest. The 6th Sect. provided, that *four* directors might be chosen on the part of the Commonwealth, and the residue by the stockholders. This act was also accepted by the stockholders.

These are the various provisions which bear upon the question under consideration :—and they would seem to show, beyond all doubt, in the minds of your Committee, that the Legislature has not reserved to itself the right which is assumed, in the proposition contained in the order submitted to the Senate. In view of those provisions of law, which are to be taken, as the terms of contract between the stockholders and the State, it is confidently maintained, that the Legislature have bound themselves not to interfere with the control of the corporation property, except upon one of the following conditions, viz. :

1st. That there has been a substantial breach of some condition of the bond.

2d. That the Commonwealth desires to take possession of the property and franchise of the Corporation by purchase, according to the terms of the act of 1839, viz., by paying the amount expended, and seven per cent. interest thereon.

The Legislature has the same right to appoint *all* the directors, as arbitrarily to assume the appointment of a majority ; and surely, such an act would be a direct violation of the express promise, that the Commonwealth should not take possession, except for a breach of the bond. It is true, that there is a general power of amendment or repeal, of all charters reserved in the Legislature. But this power cannot be so extended, as to justify an arbitrary exercise of control over private property. As well might that body assume to appoint all the other officers of the corporation, fix their compensation, and regulate their duties. The injustice, as well as illegality of such a course, may be seen at once by reflecting, that directors appointed exclusively by the Legislature, would in no manner be responsible to the stockholders, and feel no particular interest in preserving their rights. A desire to gain popular favor, might induce them to take such a course, as would forfeit the bond, and thus at once throw the entire property and franchise into the hands of the State, according to the terms of the charter. To your Committee, however, there does not seem to be the least ground, for this extraordinary claim, and it is believed, that among intelligent and reflecting members of the Legislature, any other opinion is not generally entertained. The State of Massachusetts, will hardly set such an example of the violation of private rights, as the consummation of the plan proposed in the Senate would exhibit. Yet, as such a measure has been more than once suggested, it is due alike to the State and to the stockholders, to protest against its adoption. As to the expediency of the stockholders giving their consent to any such

course, as long as they feel competent to manage their own affairs, and to select competent directors and agents to act in their behalf, it will scarcely be necessary so far to declare their incapacity as to ask the Legislature to do it for them.

Among the duties confided to your Committee, is that of selecting candidates for directors, on the part of the stockholders for the ensuing year. In view of all the facts which are here presented to the stockholders, so highly honorable to each member of the present board, it is not deemed necessary to do more than present their names for re-election. But we feel it our duty as stockholders, as well as members of a committee, to say, that we shall consider it a serious misfortune, and one that will greatly embarrass and retard the future operation of the work, if the present board do not consent to a re-election. And your committee would further remark, that they are satisfied, after mature deliberation upon the facts presented to them, that the treasurer and general agent may each hold the office of director with great advantage to the corporation.

The attention of your committee has been incidentally called, to a difference of opinion that occurred in the Board of Directors of 1837, in relation to an account of Mr. Bliss, one of the directors, for professional as well as official services performed by him, in the winter of 1836, prior to his appointment as agent ; which account had been audited, and settled, as are all other claims against the corporation. From all the facts which have been developed before your Committee, by oral statements, and documentary evidence, they are unani-

mously of opinion, that the charge was a proper one, and quite as low as any one, capable of performing the singularly important services which he rendered the corporation, could be expected to make; and while the Committee duly appreciate the magnanimity which induced Mr. Bliss to refund about two-thirds of the amount which had been paid him, for the sake of peace and harmony among a board of directors who had taken upon themselves the execution of such important duties; they feel it due to him to say, that in doing so he did not in the least degree compromit his honor or self-respect.

Your Committee, after disposing of these branches of their duties, directed their attention to the important subject of the revenues of the rail-road. It was conceded by all who came before them, that this great avenue of commerce had been constructed with signal ability, and in the most substantial and permanent manner; but a doubt was expressed by some, as to the income it would receive, and a suggestion made, that the patronage it enjoyed was not commensurate with the hopes of its early advocates.

Your Committee were aware that this might be ascribed in part, to the general depression of business, and the unusual snows of the past winter; but after investigating the data collected before this enterprise was begun, the returns of other rail-roads, and listening to a great variety of evidence, your Committee found other causes for the apparent deficiency which, in their opinion, deserve serious consideration. In July, 1835, the executive committee of surveys, of which George Bliss, Esq. was chairman, made a report, founded upon returns from all the towns

within the influence of the Western Rail-road, which was published, extensively circulated, and doubtless led many individuals to subscribe for shares. By this, it appears that the number of passengers who passed annually between Worcester and the Connecticut, was over 50,000, and the tons of freight annually received or sent to market from the towns situate on the line of the rail-road, in the valley of the Connecticut, and the county of Berkshire, were no less than 148,874. The report estimated that before an engine or car should run west of the Connecticut, the section between Worcester and Springfield would command annually, at least 55,510 passengers and 50,547 tons of freight, without any allowance for the great impulse to commerce usually given by rail-roads. In making this computation it may, however, be proper to observe, that the rate assumed for each passenger is half a dollar less than the charge since adopted. Your Committee, after diligent inquiry, see no reason to distrust the accuracy of the data upon which this report was based. They are satisfied that the passengers and freight exist, are constantly increasing, and may be easily conciliated to the Western Rail-road.

They have ascertained, that twenty years since, when steamboat navigation was in its infancy, the trade of the Connecticut valley was principally with Boston.

As the steamboats gradually advanced, first to New Haven, thence to Hartford and Springfield, and the navigation of the river was improved, a new current was given to trade, and the facilities of intercourse and diminished charges gradually diverted it to New York ; so that at least four-fifths of the traffic of the entire valley of the

river is now with the latter city, and such are the facilities of communication, that produce is conveyed from Springfield to New York, 165 miles, for \$3½, and goods sent back to Springfield from that city for \$4½, per ton. During the last season, passengers were transported between New York and Springfield by steamboats, for \$3 each, and your Committee are advised that a profitable business may be done by transporting them between these points in steamers, at even a lower price.

Your Committee have compared these rates with those established upon the Western Rail-road, and find the average charge for freight, between Boston and Springfield, to be \$6 a ton, and the charge for passengers to be \$3½.

And it is perfectly obvious, that a country trader who goes with a ton of produce from Springfield to New York, instead of coming to Boston, and returns with a ton of goods, although he travels 130 miles further, saves six dollars on the way.

While your Committee are aware that the rail-road possesses some advantages over the river and the sound, that insurance may be saved, and greater despatch secured upon the former, that some modes of conveyance from Springfield to New York are more expensive than others, they feel persuaded that business cannot be recalled to its old channels while this disparity of charges exists; that as certainly as the river flows downwards, will trade seek the cheapest channels, and that it must continue to flow with a strong current to the southward, until it can find an equally cheap outlet to the eastward.

But your Committee find nothing in this to impair their confidence in the eventual profits of the Western Rail-

road, for a close investigation of facts has satisfied them, that a train of cars carrying 200 passengers and a train of freight cars bearing at least 60 tons of merchandise, may be propelled from Boston to Springfield for less than \$100 each, inclusive of supervision, motive power, wear and tear of the cars, engine and road, and all incidental expenses;* making an outlay of 50 cents for each passenger, and but \$1½ for each ton of merchandise. Upon this point, your engineers, the agent of the road; and the officers of other roads, all concur, and your Committee are of opinion, that a charge not exceeding \$2 50 for each passenger, and \$3 75 for each ton of merchandise, carried between Boston and Springfield, will not only afford an ample margin for profit, but will control the travel and business of the great valley of the Connecticut, which comprises so large and so fertile a portion of all New England.

But there is another view of this subject which occurs to your Committee. To make this section of the railroad productive, they believe its influence should be extended up and down the Connecticut, by a moderate rate of fare. The numerous and flourishing villages upon the river, from Hartford to Windsor, Vermont, are nearly equidistant from Boston, and at the rate proposed it is believed they will all pour in their contributions to the railroad, while the towns on both sides of the road, which now support parallel lines of stages, will soon avail themselves of the superior attraction and advantage of the railroad, and hasten to establish lateral lines to our depots, and the residents along the line, who now use their own

* See note B.

vehicles to travel and transact their business, will find the charges of the rail-road less onerous than the expense of provender for their horses, and the wear and tear of horse shoes, wheel tire and harnesses.

In coming, with great unanimity, to the conclusion at which your Committee have arrived, they have given due weight to the vast mass of evidence placed before them, tending to show the wonderful effects of moderate charges in increasing receipts; and are indebted to Mr. Bliss, the indefatigable agent of the company, for many facts which have an important bearing upon the subject.

And they would advert to the rail-roads of Belgium. By the official report to the Ministry, under date of November 26, 1838, it appears, that they have cost over \$41,000 per mile, or \$5000 per mile more than the Western, that the entire expenses of sending a train over them is \$1 5-100 per mile, or, at least, 5 cents per mile, more than the cost upon the Western, that the average charge for passengers has been 1 1-10 cent. per mile, equal to a charge of 108 cents between Springfield and Boston, that these roads, at this very moderate charge, have afforded an ample income, paying a fair interest upon the outlay. They subjoin the official statement of receipts for 1838, of the rail-road from Antwerp to Ostend, a distance of 159 miles.

17,503 pass'grs	1 class	at 2½ cts.	per mile	ea.	who paid	\$13,171 18
215,893	"	2	"	2	"	\$133,475 38
604,935	"	3	"	1½	"	\$196,451 07
1,343,354	"	4	"	8 mills.	"	\$206,680 00

Average number to each train, 143. Actual expense

of carrying each passenger, 73-100 cents per mile, or a little less than $\frac{3}{4}$ of a cent per mile.

And it may be proper here to remark, that the population along the line, from Boston to Albany, inclusive of those cities and the adjacent towns, will soon be nearly as dense as the population of Belgium, while the restless and mercurial spirit of the Yankee, renders him a greater traveller than the more quiet Fleming.

They would also refer to the rail-road between Boston and Salem, which carries 6000 passengers a week, a distance of $13\frac{1}{2}$ miles, and across a ferry, equal in expense to four miles more of rail-road, for the moderate charge of half a dollar each. With respect to this road, it is a striking fact, that the number of passengers upon it is more than double that originally estimated. And it is not easy to account for so remarkable an increase, upon any other ground than the low rate of fare, which is precisely one-half the amount charged by the stages. They would also advert to the rail-road recently opened between Marblehead and Salem. A few months since a single coach usually conveyed the passengers, who rarely exceeded a dozen per day, at a charge of 25 cents per passage. Since the locomotive was set in motion, the number at $12\frac{1}{2}$ cents each, has been as high as 200 a day.

Your Committee would notice, also, the vast increase of passengers in steamboats, upon the coast of Maine, the North River and the Sound, since the reduction of charges, the astonishing numbers that pass between Boston, Nahant, Roxbury, Charlestown and Cambridge, since the establishment of cheap steamboats and omnibuses; they would advert, also, to the striking results which have at-

tended the reduction of postages, of the price of tickets for concerts and theatres, and of the cost of luxuries, to the extension of insurance at low rates of premium, to the wide and increasing circulation of the penny press, to the wonderful growth of the ice trade, which, under a system of low charges, has so expanded, that it adds annually, 30,000 tons to the exports of Boston, and supplies at least 100 sail of ships with cargoes,* and more particularly to the great increase of the revenue of the New York canals, now amounting to \$1,600,000 per annum, yielding a net income to the State of \$800,000, and to the gain in the aggregate receipts, of these canals, which has attended three successive reductions of the tolls. They would also call your attention to the voluntary reduction of thirty per cent. in the rate of passage between England and America, recently made by the Great Western, to the policy of the intelligent and sagacious managers of the Boston and Norwich rail-road, who are now opening with most encouraging auspices, at the moderate rate of \$3 per passage, \$5 per ton of freight from Boston to Norwich; rates which average 20 per cent. less than the present charges upon the Western Rail-road; and they would not omit to remind you of the general decline of prices throughout the country, and the general disposition to economize.

As rumors have been afloat with respect to an experiment tried upon the Worcester Rail-road, and some few individuals have cited it as a proof of the impolicy of a reduction, your Committee would state, that in December 1836, the rate for passengers was advanced from \$1.50 to

* See note C.

\$2, and again reduced to the original price, in May, 1839. To give you an idea of the result, they cite the return of the number of passengers on the Worcester Rail-road, for four successive years.

1836.	Rate,	\$1½	No. of passengers,	78,088
1837.	"	\$2	"	61,666
1838.	"	\$2	"	56,016
1839.	"	\$1½	two thirds of the year,	76,230

They would further cite the receipts of the Worcester Rail-road, from passengers in the 2d six months, of 5 successive years; they select these periods for comparison, because it must be obvious, that the full effects of the advance, at the close of 1836, and the reduction in the spring of 1839, would not be perceptible for several months thereafter.

RECEIPTS.

1835.	July 1 to Dec. 31,	rate \$1½,	receipt for pass'grs,	\$72,912
1836.	"	"	" \$1½	" 76,187
1837.	"	"	" \$2	" 65,643
1838.	"	"	" \$2	" 66,077
1839,	"	"	" \$1½	" 72,021

And your Committee would suggest, that, although a part of the deficit, during the season of high charges, may be ascribed to the depression of business, yet another fact stands out in bold relief, and is not to be disregarded, viz. that, during each of the years above cited, the receipts from freight were progressive, showing a constant increase of traffic.*

* See note D.

While upon this subject, they would suggest that time is always requisite to develop the effects of a reduction. It requires time to diffuse information, to change the course of trade, to form new connexions, to open lateral and continuous lines. A little time must elapse before the community will discard their own vehicles and horses, before existing lines of stages and freight waggons will be diverted to other routes, rendered more lucrative by the rail-road.

It is also proper to suggest, that although the general effect of an advance of charge is a reduction of receipts, yet there may be, where there is little competition, an apparent gain for a few months, from an advance, so reluctant are the community to change their habits or forego the advantages of rail-roads; but your Committee can find no evidence tending to show a permanent gain from an advance; have found nothing in the slightest degree to impair their confidence in the measures they recommend, and feel persuaded that the experience of a year will carry conviction to the most incredulous.

And even if your Committee had found any evidence that high charges were as favorable to income as moderate rates, would it be proper for them to arrest by such charges, the thousands whose means permit them to travel only when they can travel cheap? Should not a public enterprise like ours, which is to unite the great outlet of the West with the capital of Massachusetts, which connects not only with a navigable river dividing the State, but with a system of rail-roads pervading nearly every part of it.* An enterprise conceived in a liber-

* See note E.

al spirit, cherished by the favor of the whole community, designed to develop the resources and promote the commerce of the entire State, be guided by a liberal spirit, and requite, as far as may be, to the whole people, the favors it has received from them?

And when your Committee recur to the attractions of our sister city of New York, and their extensive influence, to the almost magic effects of low rates in creating business and income; when they consider how widely such rates diffuse the benefits of commerce among all classes of our citizens; when they consider the importance of sustaining the credit of the State and the great cause of internal improvements, and recur to the leading object of the earliest, most persevering and most numerous friends of the road, they feel that they have every cause to be satisfied with their decision.

Your Committee in the course of their investigations, find nothing to impair their confidence in the eventual prosperity of this great enterprise. As respects the section already finished, they are impressed with the belief that the moderate rates they recommend will soon conciliate to it a business equal to 50,000 tons of goods and at least 60,000 passengers per annum, to be derived entirely from the resources of the rail-road this side of the Connecticut, and increasing at a rate not less than 10 per cent. a year; but when this great avenue of commerce shall consummate its union with the canals and rail-ways of New York, and become, as it soon will, a section of a continuous line from Boston to Buffalo, or connecting as it will with the ocean steam packets, the steamers of the lakes and the canals of the West; when it shall become

part of a continuous line from England to Cincinnati, Louisville and St. Louis, as well the most direct, expeditious, cheap, and least fatiguing route between those great marts of commerce ; its revenues, at moderate rates of charges, must receive a vast accession.

When your Committee consider, that during the travelling season, at least 15,000 persons weekly ascend and descend the Hudson, that at least 30 packets and transient vessels are plying between Boston and Albany, besides vast numbers which bear the produce of the West from New York, that at this moment more than 100,000 barrels of flour are annually boated up the Connecticut above Springfield, that in the hills of Berkshire the Western rail-road intersects quarries of lime and marble, which will supply the valley of Connecticut and the entire country bordering on the road, that as soon as this great artery of the State is finished, and the sections between it and Buffalo are complete, as it is confidently believed they soon will be, a passenger may pass almost without fatigue in eleven hours from Boston to Albany, in thirty hours from Boston to Buffalo, in six hours more to Erie, in six hours thence to Cleaveland, and in two days and a half from Boston to Detroit. When they consider that the produce of the West finds its best market at Boston* and the great staples of Boston their most extensive market at the West ; and take into view the slow and circuitous navigation which now connects them, the charges of insurance, loss of interest, incidental expenses, and fluctuations of price, they cannot but regard this rail-

* See note F.

road as a candidate for an amount of business which will astonish its warmest and most sanguine friends.

If the Worcester road, leading from Boston to the centre of a community whose exports to Boston, after the rail-road was opened, did not, for a series of years, exceed 3,600 tons per annum, and whose imports were less than 18,000 tons per year, during the same period, has thus far proved a six per cent. stock ; how much more encouraging than the past experience of the Worcester, are the present prospects of the Western; penetrating as it does, before it crosses our State line, a region whose exports and imports are 148,000 tons per year, and connecting, as it must, at the Hudson, with a commerce equal to at least 1,000,000 tons per annum.

Your Committee, after a careful consideration of the grades of the rail-road, the expenses of repairs, superintendence and motive power, are led unanimously to the conclusion that if this rail-road, when finished, can attract to it one fifth of the number of passengers and one-tenth part of the freight now computed to pass up and down the Hudson, that the rate of passage from Boston to Albany may be safely fixed at \$3 ; that flour may be transported between those cities for 50 cents per barrel, costly merchandise at a small advance, and that such a scale of charges will insure a still larger amount of business, and yield the highest revenue permitted by the charter.

Your Committee are aware that the proposed reduction, to give it full effect, will require the co-operation of the Worcester Rail-road, but they doubt not the officers of that rail-road will meet the subject with a fair and candid

spirit. When the Western road was opened, the directors of the Worcester cheerfully conceded to the Western a liberal share of the receipts upon the entire route, and it will be easy to demonstrate that the proposed reduction, which asks but a moderate concession from the Worcester, will pour a flood of passengers over the latter, and attract to it from the Connecticut, a large amount of descending freight, in which the Worcester Road is at present deficient, it being a singular fact, that while in 1839 the upward train of the Worcester railroad carried, on an average, 48 tons, the descending train has conveyed 12 only; and so much return freight offers at the Connecticut, that the tonnage descending the Western rail-road is equal to the ascending. Your Committee are also of opinion, that the responsibility of the measure they propose should be taken by the shareholders, and not cast upon the directors; that it is a suitable subject for the action of the stockholders, and may be adopted without implying the slightest distrust of the ability of their officers or directors, whose whole attention has been thus far absorbed by the intrinsic difficulties of the construction of a work of the magnitude of the Western rail-road. They therefore, with great unanimity, recommend that the directors, who represent the shareholders, be instructed to reduce the charge for passage between Worcester and Springfield to \$1 50, and to take the most efficient measures to bring the Worcester rail-road into such an arrangement, as will reduce the entire charge between Boston and Springfield, to \$2½ for each passenger. Also that they be instructed to make a suitable reduction in the charges between the different

depots upon the line of the Western rail-road. Also that they be instructed to adopt the most effectual measures to secure a reduction of freight, so that the average charge between Springfield and Boston shall not exceed \$3½ per ton, to be apportioned upon the different articles conveyed, according to their respective value.*

And your Committee annex a tariff of freight, prepared with much care, varying from \$3½ to \$4½ per ton, which they believe will effectually secure the objects they have in view.

Your Committee would further suggest, that their attention has been called to the passenger depot at Worcester; and after careful inquiry, they are satisfied that the building erected by the company, is well adapted to the accommodation of the freight trains, and is necessary therefor, but is not sufficiently near the centre of Worcester to accommodate the way travel, upon which they place great reliance; they therefore recommend that a passenger depot should be established in Worcester, near the depots of the Norwich and Worcester, and the Boston and Worcester rail-roads, and that efforts be made to obtain the privilege of going upon the Norwich and Worcester rail-road track, to the depot for passengers, by granting to the Norwich and Worcester rail-road Company the privilege of going on the track of our corporation for their freight.

They would further suggest to the directors the expediency of sending two trains of passenger cars daily, in each direction over the road, to leave Springfield and Boston in the morning and afternoon, so that a passenger

* See note G.

may be able to travel from one end of the route to the other, transact business and return the same day.

They would also suggest another improvement recently introduced, viz. that convenient water closets and a retiring room for ladies, be attached to the new cars building for the road ; and that the directors use their efforts to induce the proprietors of the stages which have been running in opposition to the rail-road, to form lateral lines connecting with towns on each side of the road, and to establish continuous lines to Stockbridge and Albany, and up and down the Connecticut ; and to encourage the establishment upon that river of regular lines of packet boats, for the conveyance of merchandise.

They would also recommend that the documents annexed to this report, including certain articles signed *D.*, on the subject of low fares, and inserted in the Boston Atlas in August, 1839, be published and distributed among the shareholders.

Your Committee further suggest, that they are impressed with the vast importance, both to the company and the public, of expediting the construction of the rail-road already surveyed, between the Western line of the State and Albany.

In addition to the 54 miles of the Western rail-road already used, they are apprised that at least one-half of the remaining 62 miles will be opened for travel the present season, and the residue in 1841. To make the line complete, no time is to be lost in constructing the small portion which remains within the State of New York, and it would be a subject of deep regret, if after our Herculean undertaking is complete, after the rivers and valleys have been spanned, two ranges of mountains crossed at vast expense,

and a rail-road built which, including the Worcester, is one hundred and sixty miles long, and will have cost six millions ; our New York friends will not raise one tenth of that amount, to meet us at the line of their State, on a short and easy route, far less expensive than our own. But when your Committee consider the enterprise of the great State of New York, the achievements in internal improvements she has already made, and the reputation and profit she has thereby acquired, they feel persuaded the public feeling, as well as the public interest, will favor this undertaking ; and when they reflect that this road will give to Albany two seaports, or rather two harbors, and secure to her an uninterrupted communication through the year with New England, the ocean, and all foreign nations ; that it will make her a great central city, it appears to us that it is only necessary to bring the enterprise again before her citizens to secure its accomplishment.

We therefore recommend to you that a body of delegates be appointed by the shareholders, to proceed to Albany and Troy as soon as may be, to advocate the speedy construction of this branch of the rail-road.

All which is respectfully submitted.

STEPHEN FAIRBANKS,
WM. LAWRENCE,
ISAAC C. PRAY,
JOHN P. THORNDIKE,
DANIEL HAMMOND,
NATHAN CARRUTH,

MARK HEALEY,
CHARLES STEARNS,
E. H. DERBY,
THOMAS C. SMITH,
ABRAHAM T. LOWE,
FREEMAN WALKER,

Committee.

Boston, *March 12th*, 1840.

Read, and unanimously accepted.

On motion of P. P. F. Degrand, Esq., *Ordered*, that the thanks of the Stockholders be presented to the Committee of thirteen, for their able, lucid and convincing Report, and be also presented to E. H. Derby, Esq. for the valuable and talented essays which accompany said report ;—and that the whole, together with the foregoing proceedings of this meeting, duly certified by the President and Clerk, be published in a pamphlet form, and be distributed to the Governor, Lieut. Governor, Council, and members of the Legislature, and to our Stockholders, and to the President and Directors of the Boston and Worcester Rail-road; and of the Norwich and Worcester Rail-road, and to the people of Albany and Troy;—and that the whole be published in the newspapers, for the information of our fellow citizens generally.

THOMAS B. WALES, *President*.

ELLIS GRAY LORING, *Clerk*.



NOTES.

NOTE A.

Letters have been received by the Great Western, under date of February 18, 1840, which communicate the very gratifying intelligence that within twenty days prior to the date of the letter, £40,000, 5 per cent. Massachusetts State Stock, issued for the Western Rail-road, had been sold in London at \$102½ per \$100.

NOTE B.

G. W. Whistler, Esq. engineer of the Western Rail-road furnishes the following statement, March 4, 1840.

"One of the company's engines of 10 tons will draw over the highest grades between Boston and Springfield, 59 tons of merchandise.

"One of the engines of 14 tons will draw 85 tons of merchandise over the same.

"The high grades extend a very short distance, and with a little aid on this part of the route, the same engines may accomplish much more."

NOTE C.

One of the largest firms engaged in the Ice trade, informed the committee, that they begun at Jamaica by

selling ice at $12\frac{1}{2}$ cents per pound, and their receipts which were \$10 to \$12 a day, gave them a trifling gain. Upon reducing the charge four fifths, their sales rose to \$35 per day, affording a large profit.

It was also stated, that 12,000 tons of ice had been cut, the past season, at Mystic Pond, and that the Lowell Rail-road Company were under a contract to send their locomotive and freight cars for it, and haul it to the wharves in Charlestown, a distance, going and returning, of 13 miles, for the moderate charge of \$1 per car, or 33 cents per ton. The ice is sold at Charlestown for $\$1\frac{1}{2}$ per ton.

NOTE D.

No. of passengers on the Boston and Worcester Rail-road :

2d 6 mos. of 1835,	48,608	at \$1 50.
1836,	49,932	" 1 50.
1837,	33,812	" 2 00.
1838,	33,291	" 2 00.
1839,	47,701	" 1 50.

Tons of Freight :

2d 6 mos. of 1835,	4,860.
1836,	10,267.
1837,	10,699.

Tons of freight for the whole year :

1835,	9,349.
1836,	17,228.
1837,	21,652.
1838,	24,000.
1839,	29,000.

NOTE E.

Rail-roads in Massachusetts.

Boston and Lowell Rail-road, Capital	\$1,650,000
Boston and Portland " " & State loan,	450,000
Boston and Providence " "	1,782,000
Boston and Worcester " "	1,800,000
Eastern " " & State loan,	1,500,000
Nashua " " do. *	350,000
Taunton Branch " "	250,000
Western Rail-road, Capital and State loans,	4,500,000
Charlestown Branch Rail-road, Capital	100,000
West Stockbridge " "	30,000
Quincy Rail-road and quarry "	100,000
Norwich and Worcester R. Road, in Massa. Cap.	500,000
Taunton & N. Bedford " Capital,	400,000
	\$13,412,000
Blackstone, Farmington, and Middlesex Canals, and other Locks and Canals in Massachusetts,	
	\$1,600,000
	\$15,012,000

The net income of the Rail-roads, finished, averages over 8 per cent. per annum.

NOTE F.

Imports into Boston in 1839, of a few staple articles :

Flour,	449,068 bbls.
Oats,	439,140 bushels.
Corn,	1,607,492 "
Coal,	96,000 tons.
Coal,	30,000 chaldrons.
Cotton,	94,361 bales.

Shipping of Massachusetts, 500,000 tons.

* The above loan is to be paid off immediately, 19 years before it is due.

NOTE G.

[From the Philadelphia U. S. Gazette of Monday, March 9, 1840.]

FLOUR AND MEAL FOR EXPORT.

By reference to our review of the market, it will be found that the week's transactions in Flour have been uncommonly large, the sales for export exceeding *twenty-six thousand barrels*. Wheat flour, in addition to fair sales of Rye flour and Corn meal. We put it upon record, that *forty-eight thousand barrels of Wheat flour* have been sold for foreign and coastwise shipment in this market, within the last two weeks. Supplies have arrived freely, but the heavy operations have materially reduced the stock.

Prices for all kinds of bread stuffs have declined in the interior, and the supplies brought to the seaboard will be unusually large. We observe in the Pittsburgh Gazette, that 10,000 barrels of flour are to be shipped from the Ohio, between Pittsburgh and Wheeling, to New York, by way of New Orleans; the tolls on our state improvements being so high as to prevent its being brought in by that route. Here is at once a loss of \$8-600 to the state in that single transaction. If the tolls were at once reduced, large supplies from the West would take the Pennsylvania route, and the state would derive an increased revenue.

RATES OF CHARGES FOR FREIGHT,

Proposed with a view to increase the income of the W. Rail-road.

MERCHANDISE.	BETWEEN Boston and Springfield.	BETWEEN Worcester & Springfield.
Bales, Boxes and Packages of Dry Goods, Shoes, &c., bottled Cider & Porter, Bristles, Brooms, Candles, Copper, Cocoa, Cordage, Corks, Flax, Fancy Goods, Feathers, Furs, Glass, Glass Ware, Glue, Hats, Hams, Hemp, Hops, Indigo, Ivory, Japanned and Silver Plated Ware, Jewelry, Leather, Live Stock, Paints, Pianos, Salt Petre, Seeds, Shot, Soap, Sperm Candles, Saddlery, Spices, Teas, Tobacco, Twine, Wax, Whalebone, Wool, &c.	at \$4 50 per ton.	at \$2 70 per ton.
Bread, Barilla, Bottles, Butter, Copperas, Cheese, Cotton, Crockery, Coffee, Castings, Dye Woods, Domestic, Fresh Fish, Hardware, Hides, Iron, Mahogany, Nails, Naval Stores, Oil, Paper, Pork in bulk, Rags, Rice, Seeds, Sugar, Spirits, Tin, Wines,	at \$3 75 per ton.	at \$2 25 per ton.
Bricks, Coal, Freestone, Granite, Grind Stones, Lime, Marble, Molasses, Pot & Pearl Ashes, Plaster, Salt, Soap Stone, Slate, &c.	at \$3 25 per ton.	at \$1 95 per ton.

MERCHANDISE.	BETWEEN Boston and Springfield.	BETWEEN Worcester & Springfield.
Flour, ...	{ at 33½ cts. pr. bbl. equal to \$3 33½ per ton.	at 20 cts. per barrel, equal to \$2 per ton.
Alewives, Ale, Beef, Beer, Cider, Mackerel, Pork, Porter, Shad, Salmon, in Barrels.	{ at 45 cts. per bbl. equal to \$3 60 pr. ton.	at 27 cts. pr. barrel, equal to \$2 16 per ton.
Barley, Buck Wheat, Corn, Potatoes, Roots of all kinds, Rye Wheat, &c. in bags,	{ at 9 cts. pr. bush- el, equal to \$3 60 per ton.	at 5 cts. per bushel, equal to \$2 60 per ton.
Oats, in bags, ...	{ at 6 cts. per bush- el, equal to \$4 00 per ton.	at 3½ cts. pr. bushel, equal to \$2 33½ per ton.
Furniture, ...	{ at 8 cts. per foot, equal to \$3 20 to \$6 40 per ton.— Average \$4 80.	at 5 cents per foot, equal to \$2 to 4 per ton. Average \$3 00 (\$4 80, \$3) \$1 80.
Lumber, Timber, &c. .	{ at \$5 per 1000— board measure— equal to at least \$3, and from that upwards, to \$5 per ton. Average perhaps, \$4.	Average \$2 40 per ton. (\$4—\$2 40—\$1 60)
Wood, and expenses of lading and unlading,	{ at 7 cts. per cord, a mile.	Average \$2 00 per ton. (\$4 00—\$2=\$2)
Passengers, ...	{ at \$2 50 per head in the best cars. at \$1 75 in for- ward cars.	at \$1 50 in best cars, at \$1 00 in forward cars.

[From the *Boston Atlas*.]

FARE ON RAIL-ROADS.—No. 1.

The Rail-road system of Massachusetts is becoming daily of greater importance. But few years have elapsed since the first feeble efforts were made to establish the Worcester road, and many were the clouds which obscured its early prospects. Some predicted it could not resist a northern winter; that it would be buried in the drifting snow; that its cost would vastly exceed the estimate, and the travel would not support it. That if ever feasible, it was in advance of the age. At one period in its history, a meeting was called to arrest its progress; and there is no doubt, that many of its most zealous advocates would have sold their dividends for three per cent. per annum. But the road was carried through and crowned with success. The enterprise has been followed by others, and new avenues for trade are now diverging in every direction from Boston, overleaping the barriers with which nature has shut out the trade of the interior, and daily widening the circle of our commerce. On the one side we have reached Taunton, Providence and Stonington, and are now pressing on towards New Bedford, Fall River and Nantucket; towns hitherto supplied by New York. On the other, we have reached Worcester; are opening a new route through the manufacturing region of Connecticut, to Norwich and New London, and from Worcester are rapidly approaching the great and fertile valley of the Connecticut and the mighty West.

On the north, we are slowly progressing towards Concord, Burlington and Montreal. On the north-east, we are advancing towards Exeter, Dover, Somersworth, Berwick, Rochester, Centre Harbor and Haverhill, Coos and upper Vermont; and on the east, beyond Salem, and towards Newburyport, Portsmouth and Portland.

The rail-roads in this State, will, within a year from this date, have absorbed a capital of eleven millions of dollars, and their united length will be 300 miles. While we admire these Herculean undertakings, achieved in so brief a period by so small a State, with so great an outlay of capital and so little foreign assistance, and while we congratulate ourselves that they promise so good a return to the capitalist, and so great facilities to travellers, it is well to pause for a moment and consider whether they have answered all the expectations of the public, and are administered in a manner most conducive to the interest of the stockholders. To the citizens of Boston, this inquiry is particularly interesting, since its prosperity has become in a great measure identified with these rail-roads. Not only are her citizens the principal stockholders, but these roads all converge towards Boston, as a focal point, and there they are soon to connect with the line of steam packets, about to be established between Boston and Liverpool. When these roads were first contemplated, and the charters asked of the Legislature, the public were promised, not only a rapid passage, but also a great reduction in the charges for freight and passage. Has the latter promise been fulfilled?

It is with regret that we answer this question in the negative. Before rail-roads were established, the usual charge for stage travelling in this Commonwealth, varied from 4 to 5 cents per mile, and the average charge may be assumed to have been 5 cents per mile. For this compensation, the driver called for the traveller at his residence, received his trunk, and left him at his hotel or

dwelling at the end of the route. Several of our leading rail-roads have made little or no reduction from this charge ; one of them, in particular, which has enjoyed a more liberal share of the public patronage than it bids fair to receive in future, seems merely to have aimed at destroying all competition and rivalry by its despatch, without any calculation of the benefits it would confer upon the public, or the remunerating patronage it would receive, from a proper reduction.

I do not hesitate to take the ground, that the present charges are too high, both for the interest of the stockholders and the public. It is a general principle, recognized by all intelligent statesmen, that the demand for luxuries increases more rapidly than the cost declines, when the reduction of price occurs. The aggregate value of the sugar, tea and coffee, sold in England at a low price, greatly exceeds the value of the same articles sold in the same market, when higher prices ruled.

Cheap amusements are the order of the day. At this moment, an association is forming in London, to build a concert room to accommodate 8000 persons, at a shilling each, with a view to profit ; and while our own concert rooms are nearly empty at a charge of a dollar, we see every week more than 10,000 people attending our music upon the common. Locomotion is the favorite recreation of Americans, and a healthful, innocent, and improving amusement. It is a recreation equally acceptable to the rich and the poor, and which all will enjoy in proportion to their ability. In a country where families increase so rapidly as in ours, and where the growth of new villages, and cities, and manufactories, call the sons and daughters from the paternal home, the claims of kindred induce travelling, and the oppressive heat of summer attracts crowds from the cities into the interior, whose visits are returned during other seasons of the year.

To illustrate the fondness for locomotion, and the de-

gree to which it prevails, where the price permits, it is merely necessary to advert to the fact, that on the 4th of July last, 7000 people passed over the Eastern Rail-road, at an average charge of 43 cents each, and 2000 made an excursion to Nahant, with music, in a single steamer, at a charge of 25 cents each way. Or we might instance the lines of omnibuses to Roxbury, whose low rates have increased the travel at least a thousand per cent. Travelling, then, with us, is both a luxury and necessary, and must be progressive as the price declines. It is observed, that, in this country, great equality of conditions prevails, and the income of the farmer and the artisan falls but little short of the receipt of the three professions. All classes travel more or less; and if travelling is reduced, so that it shall cease to be an expensive luxury, they will resort to this pleasing excitement in preference to all others. The experiment of low fares has been successfully tried in Belgium, by the government of that country, a rate has been adopted averaging 1 cent to $1\frac{1}{2}$ cents per mile, and the result is an increase of many hundred per cent. In Belgium, some classes of passengers are carried at the rate of eight mills per mile, and by the publication of the Chevalier de Gerstner, it appears, that these low rates furnish a fair income to the state, although the cost of the Belgium roads is double that of the average of American rail-roads, and the cost of sending a train over them is at least equal to the cost of a train moving over our own rail-roads. Instead of adopting the liberal and enlightened policy of Belgium, the directors of our roads seem to have in most instances, aimed at extracting as much as possible from each passenger;—to have supposed they have done all that was politic or advisable, if they have put down the competition of the stage and the baggage waggon;—to have gone upon the assumption, that they accomplished every thing, if they have received the existing travel, and the gain incident to increased speed, without taking at all

into account, the vast travel they might call into existence by a reduced rate of fare, or the attendant benefits they might confer upon Boston and the State. D.

FARE ON RAIL-ROADS.—No. 2.

Is my assumption correct, that the present rates are too high both for the interests of the stockholders and the public? I will endeavor to show that it is capable of demonstration. The Eastern rail-road is a case in point. This road has been in operation nearly a year. Its cost has much exceeded the average cost of roads, and as it runs along the seaboard, its principal dependence must be on passengers; yet the directors have boldly tried the experiment of a low rate of fare, and have tried it with complete success. The ratio of increase has been vastly greater than on any other route; and singular as it may appear, the passengers who weekly enter the city by this Eastern road, exceed in number those who enter by all the other rail-roads. And this road, with little or no income from freight, with an expensive ferry, is already earning more than ten per cent. per annum.

What is the cause of this immense travel, this wonderful increase? It must be ascribed to the reduced rate of charge; and so well persuaded of this fact are the intelligent directors of the road, that they have a further reduction in serious contemplation, and the public need not be surprised if they soon lower the charge to Salem to 25 cents. What will those old gentlemen say to this who predicted at the opening of the road the rate would soon rise to a dollar? They must feel they were a little behind the age.

There is one prevalent mistake upon these subjects. Men reason from experience in stage coaches, not in rail-roads ; the latter are novelties in which few have had experience. Now it is susceptible of proof that no stage coach carrying passengers and their trunks any considerable distance, can live at a charge less than three cents per mile ; but a rail-road whose trains shall average two hundred passengers, may pay its expenses at a charge of half a cent per mile, it having been well ascertained by the Chevalier de Gerstner, in his recent tour through the United States, that the cost of sending a train over a rail-road is the same throughout Belgium and the United States, viz. \$1 per mile, and a single train can easily transport two hundred passengers. It may be assumed, therefore, that a rail-road which can command 200 passengers to a train, may transport them 100 miles at an expense of 50 cents each, and in such case may carry them without loss at one sixth part of the expense of each to a stage coach. This difference allows great leeway for a reduction from the stage coach rate, and it is apparent that a road may prove profitable in a populous country at the low rate of a cent per mile ; and as there is scarcely any limit to the capacity of a railway for transporting passengers, it follows of course that a population sufficient in numbers and wealth to supply travellers, is all that is requisite to insure the success of a railway at a very low rate of fare. I would not advocate, in the present state of our population, the adoption of this extreme low rate, but I would contend that three cents per mile should be the highest charge upon any of the railways of Massachusetts, and that this rate should be occasionally reduced when we are to compete with our sister states on nearly equal terms for the trade of the interior. But it may be said that the Providence road, with high charges, has thus far made the highest dividends. This is true, but it does not affect the truth of my position, for its suc-

cess is obviously ascribable to other causes. It has derived an immense patronage from the steamboat competition on the Sound. It is at present the only feasible route between New York and Boston. Its supply of passengers to and from New York is water borne through the Sound at a charge varying from 3-4ths of a cent to 2 1-4 cents per mile, and accomplishing the principal part of the distance at a low rate, they reluctantly pay the extra tax of the Providence road; but this high rate invites competition, and has conduced wonderfully to the building of the Norwich road; and the opening of the latter must soon reduce the rate, or leave the Providence road a beggarly account of empty cars. The Providence road will, then, if it reduces, hold a divided empire over the New York travel, securing of course a considerable proportion of it, as it is most direct; but it will find in this very reduction a new source of income in the general increase of travel. Let the rate between Boston and Providence be reduced, as it should be, to \$1 25 for passage, and the charge for freight reduced to \$2 1-2 per ton, about the rate now charged by the Lowell road, and the reduction will produce a wonderful accession of patronage; the local travel along the route and between the termini will wonderfully increase. When the Providence trader can come to Boston and buy his goods at less expense of time and money than at New York, he will come often, will buy large quantities of merchandise here, and send it home over the road, which he is deterred from doing now by the high rate of charges. At present he can send his goods from New York to Providence, 180 miles, for less than one half the price charged for 43 miles only on the Providence road; and who sees a Providence customer in Boston? This road, for the purposes of commerce, has thus far been of little or no service to Boston, and one may almost imagine he can see a New York influence in its management; for the New Yorker, in his

private speculations, keeps constantly in view the prosperity of the city he inhabits.

What bearing has the history of the Worcester road upon this subject? The Directors originally put the fare at \$1 50, and subsequently, at a period of great depression, raised the rate to \$2. A little experience has shown that they gained nothing by the advance. Many were deterred from travelling; stages began to interfere with the road, and not a few of the early friends and patrons of the road became disaffected; and the result has been that the directors have recently found it the wisest policy to recede to the original rate; and even this will be found too high when the Western road shall connect it with those great channels of travel, the valley of the Connecticut and the Mohawk. Thus far this road has come in contact with a sparse population only; it will soon reach two of the great arteries of travel, and it will depend in a great measure upon the directors of the Worcester and Western road, whether this travel shall be directed to Boston.

FARE ON RAIL-ROADS.—No. 3.

The rates of freight differ upon our several roads; upon the Lowell and Worcester roads they are lowest, viz: on the Lowell a little less and on the Worcester a little over 8 cents per ton a mile; on the Providence as high as twelve cents per ton a mile, or fifty per cent. more than the Lowell, and Worcester, beside an extra charge on many specific articles; this operates as a heavy tax on the transit of merchandise, and materially checks the transportation upon the road. But it may be urged

rail-roads derive their principal profit from passengers, they can make little or nothing upon freight. To a certain extent this may be true. If the charges are so high that little is forwarded, and a train capable of carrying 100 tons, is daily sent over the road with 20 or 30 only, little profit can be made, as the expense of the train is not materially diminished by the reduction of the quantity, except with respect to the charges of lading, unlading, and weighing.

On the Lowell road full trains are sent every day over the road, and it has almost entirely superseded the canal. It may be inferred, from the recent reports to the Legislature, that the entire expense of transporting a ton over this road does not exceed 82 cents, and as the expense of weighing, lading and unlading and delivery, may be estimated at $37\frac{1}{2}$ cents per ton, the actual cost of transportation cannot much exceed 45 cents per ton, and possibly is less. Thus conducted, the road derives a net profit of about \$50,000 a year from its freight, a large part of its income, materially accommodating the public, and greatly enlarging its own revenue. Supposing the rate of expense to be the same on the Providence road, the actual cost of sending a full train of merchandise over the road, would be about \$1 06 per ton, and a charge of \$2 40 per ton, which is the steamboat charge from New York to Providence, nearly 200 miles, would afford a liberal return. It is estimated now, that not one fifth of the merchandise passing between Boston and New York, goes over this road; a large proportion of the traffic between Canton and the various towns on the route and the seaboard, is conducted by wagons, and the present charges must operate nearly as an interdict on the trade between Boston, Providence, and Taunton. The latter towns receive their supplies by water much cheaper from New York than Boston, and when the New Bedford road is opened, her position will be similar. Let the rate be

reduced at least one half, and an active and bustling commerce must spring up between these flourishing towns, a great accession of freight be received by the road, and this collateral benefit gained, that every ton of freight will secure additional passengers. Thus far the Worcester road has had an apology for charging as above, because no sufficient return freights offer at Worcester. While the ascending trains average 48 tons, the descending trains brings but 12 back, the cost of transportation is of course enhanced. When the road reaches Springfield, a low rate for descending produce and goods will doubtless command full trains, and a proportionate reduction may be made. An average charge of \$4 or \$5 per ton from Boston to Springfield, will be proportionate to the sum indicated for the Providence road, and it is to be hoped that this or a lower rate will be adopted. D.

FARE ON RAIL-ROADS.—No. 4.

The great Western road of Massachusetts rapidly approaches completion. Within six weeks it will be opened to Springfield, and the fertile and extensive valley of the Connecticut will at length find an eastern outlet. The ensuing year will witness the completion of this road to the Hudson, its connexion with the railways and canals of New York, and it may safely be predicted, that within the year 1841, the traveller and the mail will pass from Boston to Detroit within sixty hours. The importance of this road, is, and has been appreciated by the public, and deep solicitude has been felt for its success. All doubts as to its completion seem now to be dispelled; the persevering spirit of its originators, the liberal aid of the

State, and the judicious management by the directors of their scrip in London, insure its successful progress.

Neither can any doubt remain as to the wonderful despatch it will give both to travel and trade. The question which now arises, is not whether it shall be finished, but how it shall be made most available to the shareholder and the public. The management of the road, when finished, is full as important as its construction. In vain will the millions invested in this costly enterprise have been expended, if the charges shall be such as to prevent or materially restrict its use.

There is a community of interest between the entire State and the shareholders, that this road should conciliate to Boston the trade of the valley of the Connecticut, and a liberal share of the commerce of the North and West.

The success of this noble avenue must very much depend upon successful rivalry of Boston with New York, for the trade of the vast and fertile regions bordering on the Connecticut, the Mohawk and the lakes. It is easy to demonstrate, that this traffic cannot be conciliated unless a low scale of charges be adopted; and the profit of the road must spring from a moderate per centage upon a large amount of business.

With such a scale, only, can Boston compete successfully with New York. This great avenue to the west passes within twenty-eight miles of Hartford, the present head of navigation, and at Springfield strikes a point easily accessible from New York. The distance from Springfield to New York is but 125 miles, and the fare by the river steamboats to New York, is but \$3, viz. \$1 to Hartford, and \$2 from Hartford to New York. Will it answer, then, to put the fare between Boston and Springfield above \$3? If the country trader, descending the valley of the Connecticut, and arriving at Springfield, shall find that he can reach New York at a less rate than

Boston, and can bring his merchandise from the former at a less freight than from the latter, towards which will he turn his face? It requires no astrologer to answer this question. But let the fares be the same, and let the charge of freight be even a trifle more from Boston by the rail-road, the latter will have this advantage; it is 30 miles nearer Springfield, the journey may be accomplished in six hours only, and merchandise received the same day it is purchased. In distance, as well as in winter facilities, Boston will have the superiority, and this must be maintained by a cautious adjustment of the tolls. Still more important will this become, when the Western road shall strike the Hudson River, and tap that immense stream of traffic and travel which now brings so rich a tribute into our sister city, New York. When the entire road shall be finished, ten hours will suffice to carry the traveller from Boston to the Hudson, the same period required by the fleetest steamboat for its passage down the Hudson. Through the entire year, then, the road, with respect to speed, will compare probably with the Hudson, and will not, like the Hudson, be sealed up by winter. But the usual cost of a passage on the Hudson is but \$3, from Albany to New York; and the 15 or 20,000 passengers who are weekly borne between Hudson, Albany and New York, in fifteen spacious steamers and seven barges, which daily ply between these points, besides the crowds who sail in the fleets of sloops that whiten the river, pay no more.

This travel is constantly increasing; every link completed in the western chain of roads gives a contribution to it, and every village planted in the west adds its tribute. How is a fair proportion of this travel to be drawn over the western road? It can be drawn by a low rate of tolls only.

Some gentlemen of fortune, who have travelled, but have not studied this subject, will reply that a small dif-

ference in charges will not affect the travel ; that if they wished to visit Boston, they should not be controlled by one or two dollars excess of charge. A man of fortune might not regard it, but the majority of our travellers are not men of fortune ; they understand the uses and value of money, and attach a value to the fractions of a dollar ; they forget not the maxim of the sage and philosophic Franklin, that a "penny saved is a penny gained ;" and where different markets offer equal attractions, they are determined by the difference of cost.

The suggestion I am about to make is a startling one, but, after due reflection, I am satisfied it is correct. I would propose that a concerted arrangement be made by the three companies who form the chain of roads from Boston to Albany, to put the fare for the entire route at \$3 as soon as the roads are finished. Then the roads will compete, both in speed and in price, with the Hudson ; and I contend this rate will give to the entire route the greatest income. The cost of sending a train over a railway is, according to the Chevalier de Gerstner, both in Belgium and America, \$1 per mile, and such train may with ease carry 250 passengers, weighing, with their baggage, but 20 tons. The whole cost of sending this train from Boston to Albany, 200 miles, will be but \$200 ; and if the trains should be so arranged (as they may be) to average 200 passengers, the entire expense will be but one dollar per passage, leaving a clear profit of \$2 per head at a charge of three dollars. At this rate, 6000 passengers per week, the number which travels over our Eastern road, would give a net income of \$624,000 per year, independent of freight, or 9 1-2 per cent. per annum on the entire cost of the three roads.

The Worcester having been estimated to cost	\$1,700,000
The Western,	4,200,000
The Albany,	700,000

\$6,600,000

And at this rate, with corresponding rates of freight, it is safe to predict the number of passengers would exceed 6000 per week, or 500 each way per diem. If this computation be accurate, the roads would well afford to transport merchandise at a moderate advance on the estimated expense of sending it on full trains, and a double track would soon become necessary to prevent an excess of profit over the rates indicated by the charters.

This result is brilliant indeed, but its very brilliancy may alarm the reader; can such moderate, such inconsiderable charges produce such immense results. To avert the suspicion of being a theorist or a visionary, I will endeavor to anticipate and to answer the objections which may be made. And first, would there be travel enough to furnish 6000 passengers per week? I answer, the estimate is too low. What route in New England compares with the Hudson in amount of travel and trade. A careful computation rates the present travel on that stream at 15,000 per week, and in the natural course of things, it must increase next year. Is it not safe to presume that a route to Boston equally cheap and expeditious, will command one fourth that amount of travel? Why not? Boston is the seat of the domestic manufactures; they may be bought here five per cent. cheaper than in New York; it is the centre of the fisheries, and two hundred miles nearer England, with which it will soon be united by a semi-monthly line of steamers. It is the best mart for Western produce. If the travel between the Hudson and Boston should be but 4000 per week, surely 2000 per week is a low estimate for the local travel, when the fare falls to less than two cents per mile, half the present rate on the Worcester road. Is the eastern route to be compared with this? Can the little towns of Lynn, Salem, Danvers, Newburyport and Portsmouth, furnish more than three times the travel which will be supplied by the valley of the Connecticut, and

the flourishing counties which line the road. Instead of 6000, the presumption is that the number will be 8000 or 9000 per week. Again, can a train carry 200 passengers over the high grades of the road? The weight of such passengers and baggage would not exceed 16 tons, and one of the improved engines just finished for the Western road, has drawn 300 tons in one train over the Lowell road, as an experiment; and if it should be retarded at all in ascending the high grades, which are but of moderate length, its superior power would make up the loss of time on the level and descending portions of the route.

Have I not taken repairs and contingent expenses into account? In the estimate of a dollar per mile by the Chevalier de Gerstner, as the cost of a train, I understand the wear and tear of the engine and cars, and other current expenses, to be included; but if they are not, the profits of freight must be more than sufficient to cover them and the repairs of the road, leaving the net income from passengers a clear revenue.

The act of the Legislature granting the last loan to the Western road, virtually restricts the income to seven per cent., and the proprietors can gain nothing if the income should exceed six, inasmuch as the loan of the State is at 5 per cent., and the income of the road at 6 per cent., would pay the interest on the loan to the State, and 7 per cent. to the proprietors, partly in dividends, and partly by the creation of a sinking fund. As respects the Western road, therefore, my calculations of profit may be reduced one third, and still the highest rate of revenue permitted by law, be realized by the stockholders. I do not hesitate, therefore, to propose, that on the opening of the Western road to Springfield, the fare from Worcester to Springfield be put at \$1 50 or less, and the charge for freight at \$2 00, and that efforts be made to bring the Worcester road into a corresponding arrangement.

The directors of the Worcester road are beginning to

appreciate the benefits of low fares: their receipts during July have averaged about \$5000 per week, at the reduced rates, being \$1000 per week more than their average receipts during the past year. Although a portion of this may be ascribed to the summer travel, it warrants me in saying they have increased their revenue by the reduction of their charges; and my knowledge of the intelligence and liberality of this Board, assures me that they will cheerfully make an equitable arrangement as to tolls with the directors of the Western road. A further reduction of fare and freight, attendant on the opening of the Norwich and Western roads, would unquestionably bring a great accession of travel to the Worcester line, and swell its 1000 passengers per week at \$2, to thousands at reduced fares. But if there were a doubt as to the policy of establishing such rates on the Western road, the wishes of the share-holders should be consulted, and those wishes are decidedly in favor of the experiment. Who are the proprietors of the road? They are the enterprising merchants, manufacturers, and artisans of Massachusetts: they took their shares not with a view to profit, but the advancement of commerce, and the development of the resources of the State; their interests are identified with the interests of the public, and whatever promotes the one conduces to the other.

The interests of the public point to reduced rates of fare; I trust they will be consulted. D. 1



08 Western railroad corporation. 134991
Proceedings of the annual meeting...
Boston, March 12th, 1840.

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